

Other Funds Overview

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OTHER FUNDS OVERVIEW

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Other Funds reflect programs, services, and projects funded from non-General Fund revenue sources or a mix of General Fund and non-General Fund sources. These sources include Federal or State grants, specific tax districts, proceeds from the sale of bonds, and user fees and charges. Included are the following categories of Other Funds:

- ◆ Special Revenue Funds
- ◆ Debt Service Funds
- ◆ Enterprise Funds
- ◆ Internal Service Funds
- ◆ Trust and Agency Funds

FY 2002 expenditures for Other Funds total \$2,988,586,318 (excluding General Fund direct expenditures), and reflect a decrease of \$681,331,551 or 18.6 percent from the *FY 2001 Revised Budget Plan* funding level of \$3,669,917,869. This decrease is primarily due to the effect of significant carryover for capital construction projects and should not be perceived as a major change to programs or operations.

Excluding adjustments in FY 2001, expenditures increase \$225,431,816 or 8.2 percent over the FY 2001 Adopted Budget Plan of \$2,763,154,502. This change is attributable to increases of \$156.8 million in Special Revenue Funds, \$10.9 million in Debt Service Funds, a decrease of \$57.5 million in Capital Project Funds, an increase of \$15.0 million in Enterprise Funds, an increase of \$75.7 million in Internal Service Funds, and an increase of \$24.5 million in Trust and Agency Funds.

The following is a brief discussion of highlights and major issues associated with the various funds. Not included in these discussions are Capital Projects Funds, which are presented in the Capital Projects Overview, and Special Revenue funding for the Fairfax County Public Schools, which is discussed in the Fairfax County School Board's FY 2002 Approved Budget. A complete discussion of funding and program adjustments in Other Funds is found in Volume 2, Capital Construction and Other Operating Funds in the FY 2002 Adopted Budget Plan.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds from specific sources that are legally restricted to expenditures for a specific purpose. These proceeds include State and Federal aid, income derived through activities performed by the Division of Solid Waste, special levies, program activity revenue, and operation of the public school system. The following are highlights for various Special Revenue Funds. Details for other funds not shown here are included in Volume 2, Capital Construction and Other Operating Funds of the FY 2002 Adopted Budget Plan.

In FY 2002, Special Revenue Fund expenditures total \$1,899,844,161 a decrease of \$80,236,341 or 4.1 percent from the *FY 2001 Revised Budget Plan* funding level of \$1,980,080,502. Excluding adjustments in FY 2001, expenditures increase \$156,760,615 or 9.0 percent over the FY 2001 Adopted Budget Plan level of \$1,743,083,546. Funds with significant adjustments are as follows:

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Fund 090, Public School Operating: The Board of Supervisors approved a General Fund transfer to the Fairfax County Public Schools (FCPS) of \$1,078,090,014 for FY 2002. The transfer reflects an increase of \$90,089,106 or 9.1 percent over the *FY 2001 Revised Budget Plan* transfer of \$988,000,908 and reflects an increase of \$16,483,038 over the FY 2002 Advertised Budget Plan transfer amount.

Fund 100, County Transit Systems: In FY 2002, funding of \$21.8 million is included to support the *Fairfax Connector* system, which will provide service to an estimated 6.4 million passengers. The system includes 163 County-owned buses, providing service on 58 routes to ten Metrorail stations throughout the region. The remaining \$2.5 million will support commuter rail services operated by the Virginia Railway Express (VRE). This fund provides funding for operating and capital expenses for the *Fairfax Connector* bus system, comprising the Huntington, Community Bus Service (CBS), and Reston-Herndon Divisions. This fund also includes the County's share of the subsidy for commuter rail services operated by the VRE.

Fund 102, Federal/State Grant Fund: This fund includes both grant awards already received as well as those anticipated to be received in FY 2002, for a total appropriation of approximately \$43.1 million including \$32.7 million held in reserve until the grant award is received and approved by the Board of Supervisors. The breakdown of grant funding by agency includes \$21.4 million for the Department of Family Services, \$3.8 million for the Fire and Rescue Department, \$1.7 million for the Health Department, \$1.7 million for the Department of Transportation, \$1.5 million for the Police Department, \$1.5 million for various other agencies, and \$1.1 million to address unanticipated grants. The remaining \$10.4 million is for FY 2002 grant awards that are appropriated directly to the Police Department for the Community-Oriented Policing (COPS) Universal Hiring Program and the Fire and Rescue Department for Urban Search and Rescue activities.

Fund 103, Aging Grants and Programs: Expenditures of approximately \$3.9 million are anticipated for this fund in FY 2002 to coordinate and provide services for older persons in Fairfax County, as well as the cities of Fairfax and Falls Church. Included in this funding is \$52,082 for 1/1.0 SYE position to expand the Long-Term Care Ombudsman Program. The Long-Term Care Ombudsman Program has maintained its staffing level at 3/3.0 SYE since FY 1993 despite an increase in the number of beds in nursing homes and assisted living facilities from 7,492 in FY 1993 to 10,173 in FY 2001. The additional Assistant Ombudsman will allow all staff members to provide better service to long-term care recipients and their families.

Fund 104, Information Technology: FY 2002 project funding totals \$14.8 million for initiatives that meet the priorities established by the IT Senior Steering Committee. These represent an excellent mix of projects that provide benefits for both citizens and employees and that adequately balance new and continuing initiatives with the need for maintaining and strengthening the County's technology infrastructure. Funded projects will support initiatives in the Human Services, Planning and Development, General County Services, Public Safety, and Court Services program areas.

Fund 105, Cable Communications: This fund has a projected FY 2002 appropriation level of \$4.8 million which is a decrease of \$14.2 million or 74.7 percent from the *FY 2001 Revised Budget Plan*. This change is due to a decrease in Operating Expenses of \$9.6 million and a decrease in Capital Equipment of \$5.0 million partially offset with an increase of \$0.4 million in Personnel Services associated with salary adjustments necessary to support the County's compensation program. Operating Expenses are decreased \$4.2 million due to the final I-Net construction payment to Cox Communications occurring in FY 2001. The I-Net is a fiber optic cable network that will link and provide video and data services to 400 County and Fairfax County Public Schools (FCPS) facilities. Other Operating Expenses are decreased \$5.4 million due to the carryover of \$4.0 million from FY 2000 for costs associated with implementing the I-Net and \$1.4 million for FY 2001 internal infrastructure requirements. The decrease in Capital Equipment requirements is also attributable to delays in I-Net implementation. The construction of the I-Net is expected to be completed in FY 2004. Funding of approximately \$4.8 million is currently available in FY 2001 for equipment to connect the first 100 County and FCPS sites to the I-Net for video and data services.

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Fund 106, Fairfax-Falls Church Community Services Board (CSB): FY 2002 expenditures for this fund total \$107.6 million, and are funded by a Fairfax County transfer of \$74.4 million, as well as funds from the State, the Federal government, the City of Fairfax, the City of Falls Church, and client fees. Major highlights for FY 2002 include:

- ◆ \$1.4 million to provide vocational, case management, and transportation services to 88 new special education graduates of the Fairfax County Public Schools,
- ◆ \$0.6 million to purchase additional mental health services for children and adolescents participating in the Continuing Care Program, Focused Care Program, and Infant/Early Childhood/LINCS Program,
- ◆ \$0.3 million to fund an additional 12 beds for victims of domestic violence,
- ◆ \$0.2 million to fund a crisis care facility for children and adolescents and
- ◆ \$0.1 million and 2/2.0 SYE positions to expand mental health services at the Juvenile Detention Center.

Solid Waste Operations:

The administration of waste disposal is achieved through the Solid Waste Collection and Recycling Operations and the Solid Waste Disposal and Resource Recovery Operations. The composition of operations includes a County-owned and operated refuse transfer station, an Energy/Resource Recovery Facility (E/RRF), a regional municipal landfill operated by the County, two citizens' disposal facilities, 12 drop-off sites for recyclables, and equipment and facilities for refuse collection, disposal, and recycling operations. Program operations will continue to be accomplished through the two entities consisting of five funds under the special revenue fund structure. The combined expenditures of \$100,873,664 and a staffing level of 319/319.0 SYE include all solid waste operations, including General Fund programs, and are required to meet the County's financial and operational requirements for waste collection and disposal programs. The FY 2002 Adopted Budget Plan funding level represents a decrease of \$10,851,928 or 9.7 percent from the *FY 2001 Revised Budget Plan* estimate of \$111,725,592. Highlights by fund are as follows:

- ◆ **Fund 108, Leaf Collection:** The expenditures for this fund are decreasing \$0.04 million or 3.8 percent from the *FY 2001 Revised Budget Plan* amount of \$1.1 million primarily due to a decrease in capital equipment requirements. This fund is responsible for the collection of leaves within Fairfax County's leaf collection districts. It is anticipated that in FY 2002, Fund 108 will provide collection service to approximately 18,889 household units within 26 approved leaf districts on three different occasions. Revenue is derived from a levy charged to homeowners within leaf collection districts. The levy charged is \$0.01 per \$100 of assessed real estate value.
- ◆ **Fund 109, Refuse Collection and Recycling Operations:** The expenditures for this fund are increasing \$0.8 million or 5.7 percent over the *FY 2001 Revised Budget Plan* amount of \$13.2 million primarily due to increases for fuel, capital equipment, and other operating expenses associated with the mixed paper recycling program. Fund 109, Refuse Collection and Recycling Operations, is responsible for the collection of refuse within the County's approved sanitary districts and County agencies, and for the coordination of the County's recycling and waste reduction operations, as well as the oversight of the Solid Waste General Fund Programs on behalf of the County.
- ◆ **Fund 110, Refuse Disposal:** The expenditures for this fund are increasing \$0.6 million or 1.6 percent over the *FY 2001 Revised Budget Plan* amount of \$37.4 million primarily due to increased disposal tonnage estimates. As a result of competitive pricing, continued migration of refuse from the County's waste stream, and the need to maintain the tonnage levels at the E/RRF, disposal rates have been set at levels that have not supported operational requirements since 1995. A General Fund transfer of \$5,500,000 in FY 2002 will cover the FY 2002 projected deficits and partial reserve requirements. See the Solid Waste Overview for more details.

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- ◆ **Fund 112, Energy Resource and Recovery Facility (E/RRF):** Expenditures for this fund total \$33.9 million in FY 2002 which is an increase of \$2.3 million or 7.1 percent over the *FY 2001 Revised Budget Plan* amount of \$31.6 million. This is primarily due to increased costs associated with emission control systems mandated by the Clean Air Act Amendments. This fund is responsible for the incineration of refuse collected in Fairfax County; a portion collected in the District of Columbia (DC); refuse collected by Supplemental and Spot Market operations; and from Prince William County through a facility use agreement with Fairfax County.
- ◆ **Fund 114, I-95 Refuse Disposal:** The expenditures for this fund total \$13.9 million for FY 2002 which is a decrease of \$14.4 million or 50.9 percent from the *FY 2001 Revised Budget Plan* of \$28.3 million as a result of the carryover of capital project funding. This fund is responsible for the overall operation of the I-95 Landfill, which is a multi-jurisdictional refuse deposit site dedicated to the disposal of ash generated primarily by the County's Energy/Resource Recovery Facility (E/RRF) and the Arlington/Alexandria incinerator operations.

Fund 116, Forest Integrated Pest Management Program (formerly Gypsy Moth Suppression Program): Expenditures for this fund are projected at \$0.9 million for FY 2002. This funding level will not only address treatment of an estimated 5,000 acres to combat the gypsy moth, but will allow the program to treat 2,000 acres for other pests such as the fall cankerworm, the population of which has been steadily increasing. Since the General Assembly approved the use of this special tax district funding to address other pests, Fairfax County funded the treatment of cankerworms and other pests in addition to the gypsy moth effective July 1, 2000. FY 2002 funding needs require the continuation of this Countywide tax levy at the rate of \$0.0010 per \$100 of assessed value, or an average of \$2.32 per home annually to address gypsy moth and other pest treatment.

Fund 118, Consolidated Community Funding Pool: In FY 2002 there is \$5.9 million available through this fund. Since FY 2001, the County has awarded grants from this pool on a two-year funding cycle to provide increased stability for the community-based organizations. The FY 2002 awards represent the second year of awards for a two-year funding period. This fund was established in FY 1998 to provide a competitive process to fund services best provided by community-based agencies and organizations, many of which were previously funded through a contribution or contract with an individual County agency. FY 2002 will be the third year of a consolidated process of setting priorities and awarding funds from both the Consolidated Community Funding Pool and the Community Development Block Grant (CDBG) processes.

Fund 119, Contributory Fund: Funding for all Contributory Agencies is reviewed annually, and the organizations must provide quarterly and annual financial reports to document their financial status. The FY 2002 recommended funding level is \$6.7 million, with details of the organizations' funding in Volume 2, Capital Construction and Other Operating Funds of the FY 2002 Adopted Budget Plan.

Fund 120, E-911: In FY 2002, total expenditures are \$22.3 million, based on a General Fund Transfer of \$3.8 million, revenues of \$16.0 million, State reimbursement of \$2.0 million, and interest earnings of \$0.5 million. All expenditures directly associated with the Public Safety Communications Center (PSCC) will continue to be reflected in this fund. In addition, Information Technology projects associated with the PSCC will be budgeted in this fund. A General Fund Transfer will cover any difference between revenues and expenditures.

Complete details of all Special Revenue Funds are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2002 Adopted Budget Plan.

DEBT SERVICE FUNDS

There are two debt service funds - **Fund 200, County Debt Service** and **Fund 201, School Debt Service**. These funds account for the accumulation of resources for, and the payment of debt service on, general obligation bonds of the County and Schools, and for special revenue bond debt service.

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FY 2002 Debt Service expenditures total \$206,542,705, an increase of \$12,685,215 or 6.5 percent over the *FY 2001 Revised Budget Plan* level of \$193,857,490 primarily due to the assumption of \$5.8 million of debt service on \$60 million of School bonds sold in FY 2000 and FY 2001. The debt service was assumed by the County for FY 2002 as part of the transfer of the Pine Ridge School site to the Fairfax County Park Authority. It is anticipated that the School Board will resume debt service payments in FY 2003 assuming the availability of State lottery funds. In addition, the Board of Supervisors has authorized an additional \$30 million in School Bond sales in FY 2002. Funding includes \$203,538,294 from the General Fund, \$25,000 in revenue from Fairfax City, \$115,838 from Small District #1, Dranesville (McLean Community Center), and \$2,863,573 in fund balances associated with savings in FY 2001.

This funding level provides for the retirement of County and School general obligation bond and literary loan debt principal and interest due and payable in FY 2002 as well as lease/purchase payments for the Government Center Properties, Fairfax County Redevelopment and Housing Authority (FCRHA), and fiscal agent fees.

Complete details of the Debt Service Funds are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2002 Adopted Budget Plan.

ENTERPRISE FUNDS

Fairfax County's Enterprise Funds consist of seven funds within the Wastewater Management Program (WMP), which account for the construction, maintenance, and operational aspects of the countywide sewer system. The cost of providing sewer service to County citizens and businesses is financed or recovered primarily from user charges.

FY 2002 Enterprise Funds expenditures for sewer operation and maintenance, and sewer debt service total \$92,895,400, an increase of \$1,073,863 or 1.2 percent over the *FY 2001 Revised Budget Plan* of \$91,821,537 primarily due to the FY 2002 debt payments for a \$40 million loan from the Virginia Resources Authority (VRA) for the County's share of construction costs for the Alexandria Sanitation Authority (ASA) treatment plant upgrade for ammonia removal funds.

The program currently includes the County-owned wastewater treatment plant (54 million gallons per day (MGD) capacity), approximately 3,100 miles of sewer lines, 60 pumping stations, 50 metering stations and covers approximately 234 square miles of the County's 399 square-mile land area. In FY 2002, WMP anticipates a total of 325,000 households in Fairfax County will be connected to public sewer in FY 2002.

Current Availability Fee Rates:

In FY 2002, Availability Fees will increase from \$4,898 to \$5,069 for single-family homes based on current projections of capital requirements. The Availability Fee Rate for all types of units is adjusted based on continued increases in expenses associated with treatment plant upgrades and interjurisdictional payments that result from population growth, more stringent treatment requirements, and inflation. The following table displays the resulting increase by category.

Category	FY 2001 Availability Fee	FY 2002 Availability Fee ¹
Single Family	\$4,898	\$5,069
Townhouses and Apartments	\$3,919	\$4,056
Hotels/Motels	\$1,224	\$1,267
Non-Residential	\$253/fixture unit	\$262/fixture unit

¹ Final adjustments to the FY 2002 availability fees and sewer service charges were made subsequent to the publication of Volume 2, Capital Construction and Other Operating Funds of the FY 2002 Advertised Budget Plan.

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Current Sewer Service Charge:

The Sewer Service Charge rate will increase from \$2.81 to \$2.88 per 1,000 gallons of water consumption in FY 2002. Based on this rate increase, the additional annual cost to the typical household is anticipated to be \$5.32. Sewer Service Charges are adjusted based on projected capital requirements associated with the renovation and rehabilitation of existing treatment facilities.

Category	FY 2001 Sewer Service Charge	FY 2002 Sewer Service Charge ¹
Per 1,000 gallons water consumed	\$2.81	\$2.88

¹ Final adjustments to the FY 2002 availability fees and sewer service charges were made subsequent to the publication of Volume 2, Capital Construction and Other Operating Funds of the FY 2002 Advertised Budget Plan.

The FY 2002 Sewer Service Charge and Availability Fee are based on increased costs associated with capital project construction, system operation and maintenance, debt service, and upgrades to effectively reduce nitrogen discharge from wastewater treatment plants in order to meet new, more stringent nitrogen discharge limitations. The program will also utilize sewer fund balances to partially offset these higher costs. These rate increases are consistent with the recommendations of the Department of Public Works and Environmental Services and the analysis included in the Forecasted Financial Statement for July 1, 2000 through June 30, 2005.

Complete details of the Enterprise Funds, which comprise the Wastewater Management Program, are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2002 Adopted Budget Plan.

INTERNAL SERVICE FUNDS

Internal Service Funds account for services commonly used by most agencies, and for which centralized organizations have been established in order to achieve economies of scale necessary to minimize costs. These internal agencies provide services to other agencies on a cost reimbursement basis. Such services consist of vehicle operations, maintenance, and replacement; insurance coverage (health, workers compensation, automobile liability, and other insurance); data communications and processing; document services; and central acquisition of commonly used supplies and equipment. It should be noted that where possible without degradation of quality, joint County and School service delivery (printing and vehicle maintenance) or joint procurement (health insurance) activities are conducted in order to achieve economies of scale and to minimize costs.

FY 2002 Internal Service expenditures total \$258,921,816, an increase of \$7,479,521 or 3.0 percent over the *FY 2001 Revised Budget Plan* level of \$251,442,295. Excluding adjustments in FY 2001, expenditures increased \$75,661,847 or 41.3 percent over the FY 2001 Adopted Budget Plan of \$183,259,969. Funds with significant adjustments are as follows:

- ◆ **Fund 503, Department of Vehicle Services:** A net expenditure decrease of \$2.8 million due primarily to decreases of \$4.1 million in replacement costs of various County-owned vehicles based on established replacement schedules, and \$0.3 million in Operating Expenses, which are partially offset by increases of \$0.6 million in fuel expenses reflecting both higher fuel prices, as well as an increase in the volume of fuel gallons consumed, and \$1.0 million associated with salary adjustments necessary to support the County's compensation program.
- ◆ **Fund 505, Technology Infrastructure Services:** This fund's expenditures are increased \$2.8 million primarily to support an upgrade of the Wide Area Network (WAN) to permit increased network speed and bandwidth availability due to the increasing technical complexity and needs for data exchange between applications and to initiate a five year replacement program for network hardware to replace obsolete equipment, allow for proactive monitoring and maintenance and ensure maximum security protection of County data.

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- ◆ **Fund 506, Health Benefits Trust Fund:** An increase of \$2.5 million primarily due to a 10 percent cost growth assumption, increased employee participation in the plan, and an increase in the administrative fee.
- ◆ **Fund 590, Public Schools Insurance Fund:** An increase of \$0.4 million is due to a \$0.2 million increase in workers' compensation claims costs, a \$0.1 million increase in net accrued liability, and a \$0.1 million increase in self-insurance costs based on actuarial projections.
- ◆ **Fund 591, School Health Benefits Trust:** The increase of \$6.8 million is due primarily to increased claims expenditures for Aetna.
- ◆ **Fund 592, School Central Procurement:** This fund is being reduced by \$2.0 million due to a history of reduced expenditures over the past two years.

Complete details of the Internal Service funds are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2002 Adopted Budget Plan and in the Fairfax County School Board's FY 2002 Approved Budget.

TRUST AND AGENCY FUNDS

Trust and Agency funds account for assets held by the County in a trustee or agency capacity and include the four pension trust funds administered by the County and Schools. The Agency fund is Fund 700, Route 28 Taxing District, which is custodial in nature and is maintained to account for funds received and disbursed by the County for improvements to Route 28.

FY 2002 Trust and Agency funds combined expenditures total \$257,544,113 an increase of \$19,527,462 or 8.2 percent over the *FY 2001 Revised Budget Plan* funding level of \$238,016,651. Excluding adjustments in FY 2001, combined Trust Fund and Agency Funds expenditures increase \$24,507,359 or 10.5 percent over the FY 2001 Adopted Budget Plan level of \$233,036,754.

This increase is primarily due to increases in the four retirement funds as a result of growth in the number of retirees receiving payment. It is also based on higher payments due to cost-of-living increases.

Complete details of the Trust and Agency funds are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2002 Adopted Budget Plan. In addition, details of the Educational Employees Retirement Fund may be found in the Fairfax County School Board's FY 2002 Approved Budget.